



# Processing Your Client's Tax Returns, Paper and Electronic

**BETTER**

**SERVICE**



# **Processing Your Client's Individual Tax Returns, Paper and Electronic**

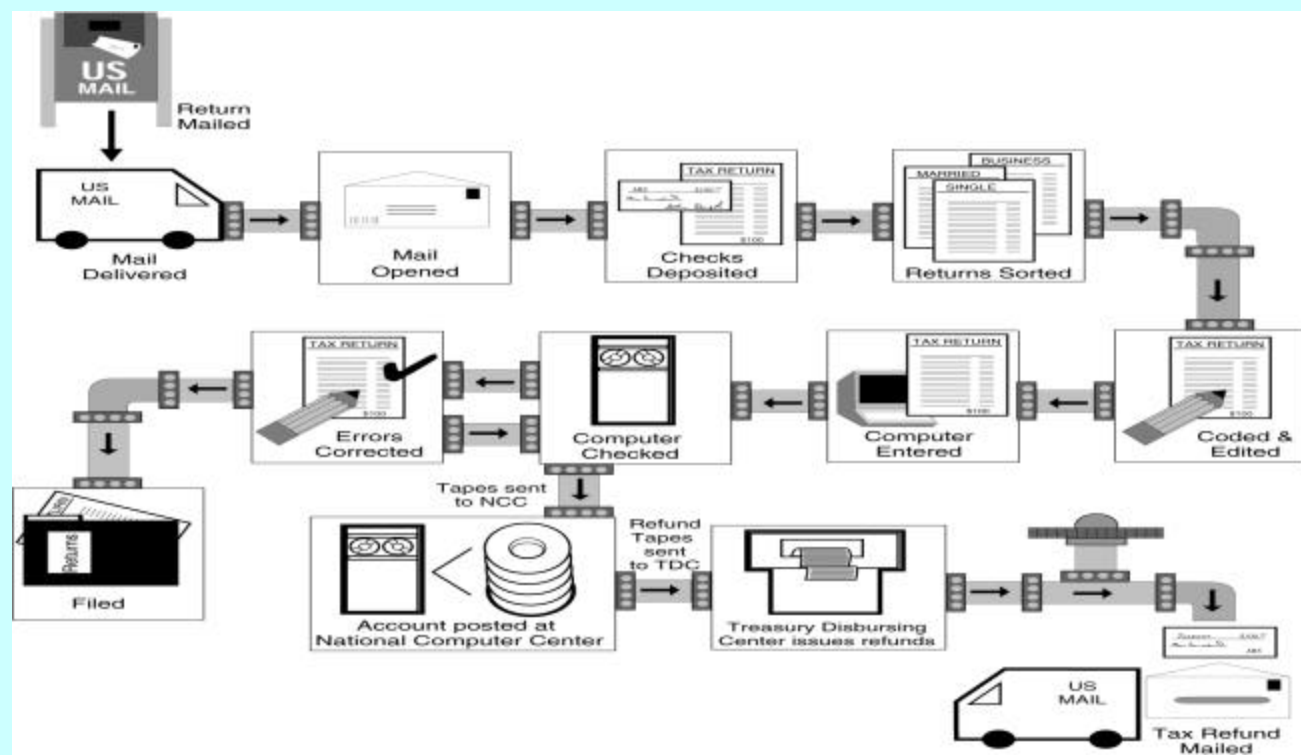
## **ELECTRONIC FILING**

- **Goal > 80% by 2007**
- **Social Security Administration (i.e. name, number, date of birth)**
- **Direct computer input to facilitate quicker processing**
- **Lower error rate**



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## THE 1040 PAPER PIPELINE





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## SUBMISSION PROCESSING

- Open and sort mail
- Computer input
- Control and prepare documents
- Resolve errors



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## **MOST COMMON ERRORS**

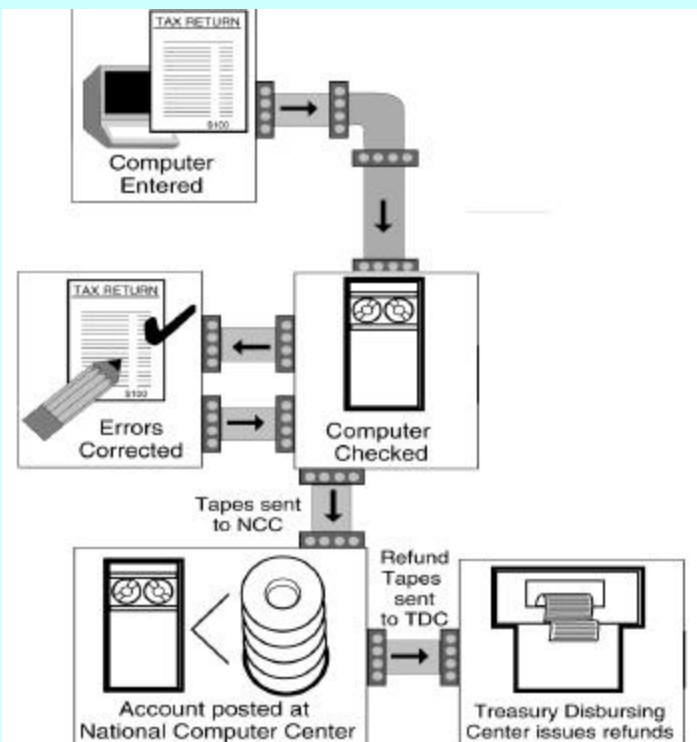
- **Mismatch SSN/Name (including dependents)**
- **Dependent on another return**
- **Earned Income Credit**
- **Child and Additional Child Tax Credit**
- **Signature**



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## E-FILE 1040 PIPELINE

Shorter than the  
Paper Pipeline



2003 IRS Nationwide Tax Forum



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## ELECTRONIC FILING

- E-File is the preferred method
- Proof of acceptance
- Faster refunds
- Accurate



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## Returns Processed

## Error Rates

- |  |                            |
|--|----------------------------|
| • <b>80 Million Paper Returns</b>        | <b>22 %</b> of total filed |
| • 56 Million V Coded Returns             |                            |
| • <b>52.8 Million Electronic Returns</b> | <b>&lt; 1%</b>             |
| • <b>IRS Internal Processing</b>         | <b>16.2%</b>               |
| • <b>Tax Practitioner Prepared</b>       | <b>3.3%</b>                |

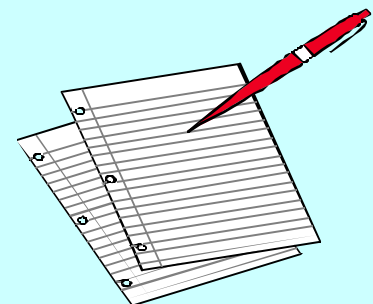
*Approximate Volumes*





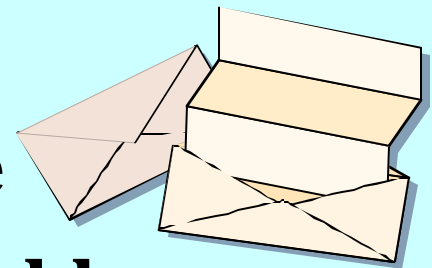
# What Can You Do To Help When Preparing the Return?

- **Ensure the return is signed.**
- **Have all schedules and forms in the correct order.**
- **Verify all SSN/EIN are correct.**
- **Verify eligibility and compute correct Earned Income Tax Credit**





# **What You Can Do To Help When Mailing The Return?**

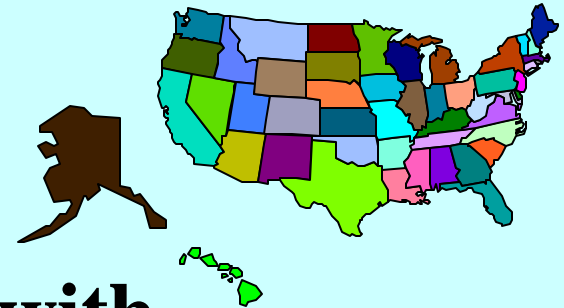


- **Only one tax return per envelope**
- **If no pre-printed labels are available – research the IRS web ([www.irs.gov](http://www.irs.gov)) site or use Package X or Publication 17**
- **File in the correct location**



# FILING AND PAYING IN THE CORRECT LOCATIONS

- New realignment of the states
- New addresses
- Form 1040-V separate mail-out with IRS Tax Forms
- Encourage the use of IRS Tax Forms



Department of the Treasury  
Internal Revenue Service  
2000 Form 1040-V, Payment Voucher

Enter the amount you are paying by check or money order.

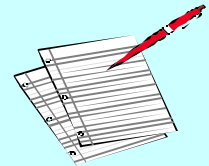
JAMES A & ANNEKA A TAXPAYER  
3030 NAPA AVENUE SE  
ANY TOWN, US 98000-0000

SEPTEMBER 04 TAXP 200 2 200010 5/00



# What You Can Do To Help When Mailing Payments?

- Use the pre-printed vouchers.
- Use a separate check for each transaction.
- Make checks and money orders payable to “United States Treasury”.
- Include SSN/EIN, tax period, and form type on check.





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